MUGHAL ENERGY

TRANSFORMING VISION

CONDENSED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2026
(UNAUDITED)



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COMPANY INFORMATION & DIRECTORS' REVIEW

- Company Information
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COMPANY INFORMATION

BOARD OF DIRECTORS
Mr. Mirza Javed Iqbal
(Chairman / Non-Executive Director)
Mr. Jamshed Iqbal
(Non-Executive Director)
Mr. Khurram Javaid
(CEO / Executive Director)
Mr. Abdul Rehman Qureshi
(Non-Executive Director)
Mr. Muhammad Mateen Jamshed
(Non-Executive Director)
Mrs. Jahanara Sajjad Ahmad
(Independent / Non-Executive Director)
Mr. Muhammad Aslam Bhatti
(Independent / Non-Executive Director)

AUDIT COMMITTEE
Mr. Muhammad Aslam Bhatti
(Chairman)
Mr. Mirza Javed Iqbal
(Member)
Mr. Muhammad Mateen Jamshed
(Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE
Mr. Muhammad Aslam Bhatti
(Chairman)
Mr. Mirza Javed Iqbal
(Member)
Mr. Jamshed Iqbal
(Member)

CHIEF OPERATING OFFICER
Mr. Shakeel Ahmad Mughal
Tel: +92-42-35960841 Ext: 154
E-mail: Shakeel.ahmad@mughalsteel.com

CHIEF FINANCIAL OFFICER
Mr. Muhammad Zafar Iqbal
Tel: +92-42-35960841 Ext: 138
E-mail: zafariqbal@mughalsteel.com

COMPANY SECRETARY
Mr. Muhammad Fahad Hafeez
Tel: +92-42-35960841 Ext: 155
E-mail: fahadhafeez@mughalsteel.com

SHARE REGISTRAR & TRANSFER AGENT
Digital Custodian Company Limited
Pardesi House 4th Floor, Old Queens Road,
Karachi, Pakistan
Tel: +92-21-32419770
Email: info@digitalcustodian.com

STATUTORY AUDITOR
Muniff Ziauddin & Company
Chartered Accountants
(A member of BKR International)

LEGAL ADVISOR
Muhammad Atif Butt

SHAREHOLDER COMPLAINT HANDLING CELL
In case of shareholder complaint/queries,
please contact:
Mr. Zeeshan Ejaz
Tel: +92-42-35960841 Ext:136
Email: fahadhafeez@mughalsteel.com

BANKERS / INSTITUTIONS
The Bank of Punjab (Taqwa Islamic Banking)
MCB Islamic Bank Limited
PAIR Investment Company Limited
Parwaaz Financial Services Limited
United Bank Limited (Ameen Islamic Banking)
Pak Brunei Investment Company Limited

ENTITY CREDIT RATING
Long-term: A
Short-term: A2
Outlook: Developing
Agency: PACRA

GEOGRAPHICAL PRESENCE
Registered / corporate office
31–A, Shadman I,
Lahore, Pakistan
Tel: +92-42-35960841-3

Plant Site
17-Km, Sheikhupura Road,
Lahore, Pakistan

COMPANY WEBSITE:
The Company is operating website www.mughalenergy.com.pk containing updated information regarding the Company.

Note: MEL's Annual & Interim Financial Statements are also available at the above website.

DIRECTORS' REVIEW

Dear Valued Shareholders,

The Board of Directors of **MUGHAL ENERGY LIMITED** (the "Company") is pleased to present its review together with the unaudited condensed interim financial statements of the Company for the quarter ended September 30, 2026.

The quarter under review marks a significant milestone in the Company's journey as main 31.50 MW turbine of its hybrid power plant successfully achieved Commercial Operations Date (COD) w.e.f August 31, 2026 and commenced commercial generation and supply of electricity to its holding company, Mughal Iron & Steel Industries Limited. The commencement of commercial operations of the main turbine represents the culmination of extensive efforts undertaken during the development, construction, installation and commissioning phases of the project.

The financial performance of the Company during the quarter primarily reflects the transition from the project development and commissioning phase to commercial operations. Accordingly, during the first month of operations, the turbine was gradually ramped up and operated at 68% plant factor due to which the subsidiary company incurred loss initially. Going forward, this will improve as plant factor utilization increases.

Resultantly, the Company recorded revenue of Rs. 274.604 million during the quarter ended September 30, 2026, while loss after taxation stood at Rs. 15.061 million as compared to loss after taxation in the corresponding period, Rs.1.864 million resulting in loss per share of Rs. 0.08 per share.

Following the commencement of commercial operations, the Company has started recognizing revenue from electricity supplied to its holding company. The financial results also reflect the recognition of operating expenses, depreciation and finance costs in accordance with the applicable accounting standards.

During the period under review, the Company obtained additional long-term financing of Rs. 250.000 million from Pak Brunei Investment Company Limited for financing its hybrid power plant project. Trade debts represented amounts receivable against the sale of electricity to holding company, which were not yet due for payment. Furthermore, the lease agreement relating to the solar power facility was further extended up to February 28, 2027.

Going forward, management will focus on improving plant efficiency, optimizing fuel consumption and ensuring reliable and uninterrupted power supply. With the plant now operational, the Company expects to benefit from increased electricity generation and improved capacity utilization in the coming quarters.

The Board remains optimistic about the Company's future prospects and is confident that the successful commencement of commercial operations will support its long-term financial and operational sustainability.

The Board of Directors wishes to express its sincere appreciation to the Company's employees, management, financial institutions, contractors, consultants and business partners for their continued dedication, cooperation and support throughout the development and successful commissioning of the project. The Board also extends its gratitude to the shareholders and all other stakeholders for their continued trust and confidence in the Company.

For and on behalf of the Board of Directors



MIRZA JAVED IQBAL
Chairman / Director
Lahore : October 29, 2026



KHURRAM JAVAID
Chief Executive Officer / Director
Lahore : October 29, 2026

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CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDTED)

- Condensed Interim Statement of Financial Position
- Condensed Interim Statement of Profit or Loss
- Condensed Interim Statement of Comprehenisve Income
- Condensed Interim Statement of Changes in Equity
- Condensed Interim Statement of Cash Flows
- Notes to and Forming Part of the Condensed Interim Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

Rupees	Note	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5.	**9,397,134,683**	9,231,255,504
Long-term security deposits		**87,500**	87,500
		9,397,222,183	9,231,343,004
CURRENT ASSETS			
Inventories		**1,110,318,871**	1,300,381,514
Trade debt	6.	**129,033,192**	-
Advances	7.	**37,213,279**	-
Deposits and other receivables		**116,819,071**	122,873,913
Due from the government		**1,227,642,570**	1,255,373,073
Cash and bank balances		**127,630,932**	105,410,607
		2,748,657,915	2,784,039,107
Total assets		**12,145,880,098**	12,015,382,111
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital		**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up capital		**2,166,732,420**	2,166,732,420
Share premium		**116,365,179**	116,365,179
Revaluation surplus on property, plant and equipment		**1,664,879,125**	1,664,879,125
Accumulated loss		**(132,660,892)**	(117,600,342)
Equity contribution / loan from Directors		**214,666,792**	214,666,792
		4,029,982,624	4,045,043,174
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing		**3,946,976,028**	3,906,668,479
CURRENT LIABILITIES			
Trade and other payables		**163,337,805**	157,604,286
Accrued profit / mark-up		**178,180,607**	54,161,576
Short-term borrowings		**328,144,426**	403,433,571
Short-term loans from Directors and their relatives - unsecured		**3,035,852,665**	3,127,545,844
Current portion of long-term financing		**463,405,943**	320,925,181
		4,168,921,446	4,063,670,458
Total liabilities		**8,115,897,474**	7,970,338,937
Total equity and liabilities		**12,145,880,098**	12,015,382,111
CONTINGENCIES AND COMMITMENTS	8.		

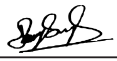
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

Rupees	Note	2026	2025
Sales - net	9.	274,604,400	-
Cost of sales	10.	(236,539,391)	-
GROSS PROFIT		38,065,009	-
Administrative expenses		(12,554,781)	(14,875,991)
Other charges		(1,791,103)	(125,000)
Other income	11.	17,359,282	17,811,040
Finance cost		(56,138,957)	(4,674,237)
		(53,125,559)	(1,864,188)
LOSS BEFORE TAXATION		(15,060,550)	(1,864,188)
Taxation		-	-
LOSS FOR THE PERIOD		(15,060,550)	(1,864,188)
LOSS PER SHARE - BASIC AND DILUTED	12.	(0.08)	(0.01)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Khurram Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

Rupees	2026	2025
Loss for the period	**(15,060,550)**	(1,864,188)
Other comprehensive income	**-**	-
Total comprehensive loss for the period	**(15,060,550)**	(1,864,188)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Khurram Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

Rupees	Capital reserves			Revenue reserve		
	Issued, subscribed and paid-up capital	Share premium	Revaluation surplus on property, plant and equipment	Accumulated loss	Equity contribution / loan from Directors	Total equity
BALANCE AS AT JUNE 30, 2025-(AUDITED)	2,166,732,420	116,365,179	1,064,174,125	(126,732,797)	214,666,792	3,435,205,719
Loss for the period	-	-	-	(1,864,188)	-	(1,864,188)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,864,188)	-	(1,864,188)
BALANCE AS AT SEPTEMBER 30, 2025-(UNAUDITED)	2,166,732,420	116,365,179	1,064,174,125	(128,596,985)	214,666,792	3,433,341,531
Loss for the period	-	-	-	(15,060,550)	-	(15,060,550)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(15,060,550)	-	(15,060,550)
BALANCE AS AT SEPTEMBER 30, 2026-(UNAUDITED)	**2,166,732,420**	**116,365,179**	**1,664,879,125**	**(132,660,892)**	**214,666,792**	**4,029,982,624**

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Khurram Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

Rupees	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(15,060,550)	(1,864,188)
Adjustments:			
Depreciation of property, plant and equipment		14,751,288	2,421,816
Gain on sale of store items		-	(445,984)
Finance cost		56,138,957	4,674,237
		70,890,245	6,650,069
Profit before working capital changes		55,829,695	4,785,881
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets			
Inventories		190,062,643	-
Trade debts		(129,033,192)	-
Advances		(37,213,279)	-
Deposits and other receivables		6,054,842	-
Due from the government		27,817,616	(1,736,031)
		57,688,630	(1,736,031)
Increase / (decrease) in current liabilities			
Trade and other payables		5,733,519	(110,909,870)
Cash generated from / used in operations		119,251,844	(107,860,020)
Payment of income tax		(87,113)	(25,633,101)
Net cash generated from / used in operating activities		119,164,731	(133,493,121)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(74,612,019)	(322,160,425)
Proceeds from sale of store items		-	238,180,196
Net cash used in investing activities		(74,612,019)	(83,980,229)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		250,000,000	59,128,604
Repayments of long-term financing		(67,211,689)	(18,737,691)
Repayments of short-term borrowings - net		(85,000,000)	-
Repayment of / proceeds from short-term loans from Directors and their relatives - net		(91,693,179)	389,073,276
Finance cost paid		(38,138,374)	(96,483,011)
Net cash used in / generated from financing activities		(32,043,242)	332,981,178
NET INCREASE IN CASH AND CASH EQUIVALENTS		12,509,470	115,507,828
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		103,497,936	14,760,779
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13.	116,007,406	130,268,607

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Khurram Javaid	**Muhammad Zafar Iqbal**	**Jamshed Iqbal**
Chief Executive Officer / Director	Chief Financial Officer	Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public limited company on August 19, 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its registered office is situated at 31-A, Shadman I, Lahore. The principal purpose of the Company is to carry on business of generating and supplying electricity. The issued, subscribed and paid-up capital of the Company is Rs. 2,166.732 million divided into 194.103 million ordinary shares of Rs. 10/- each and 22.570 million Class-B shares of Rs. 10/- each. Ordinary shares carry one vote per share, whereas, Class-B shares carry 100 votes per share. The Company is a subsidiary of Mughal Iron & Steel Industries Limited (holding company) which holds 174.692 million (June 30, 2026: 174.692 million) ordinary shares representing 90% of the ordinary shares and 22.570 million (June 30, 2026: 22.570 million) Class-B shares, representing 100% of the Class-B shares. Based upon the total number of ordinary and Class-B shares held, holding company has 99.21% (June 30, 2026: 99.21%) control of the Company. Ordinary shares are listed on the Growth Enterprise Market (GEM) board of the Pakistan Stock Exchange Limited (PSX), whereas, Class-B shares are unquoted. During the period, the Company commissioned the main 31.50 MW turbine and commenced generation and sale of electricity to the holding company w.e.f September 01, 2026. During the first month the turbine operations were gradually ramped up and operated at 68% plant factor due to which the Company incurred loss initially. Going forward, this will improve as plant factor utilization increases.

The geographical locations and addresses of the Company's registered office and business units including plant are as follows:

Business unit:	Geographical Location / Address:
- Registered office	31-A, Shadman 1, Lahore.
- Plant site	17-KM, Sheikhupura Road, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Charteresd Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of (IAS) 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2026, except detailed below or elsewhere.

These condensed interim financial statements are unaudited and do not include all the information and disclosures as are required for annual audited financial statements, and therefore, should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2026. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

3.1 Tangible operating fixed assets

These are initially measured at cost. Cost comprises of historical cost, borrowing cost pertaining to the erection period and other directly attributable costs of bringing the assets to their working condition. Subsequently, these are measured at cost less accumulated depreciation and accumulated impairment loss, if any, except for freehold land which is stated at revalued amount less accumulated impairment, if any. Revaluation is carried out every three years to ensure that the carrying amount of the asset does not differ materially from its fair value

Any revaluation increase arising on revaluation is recognized in other comprehensive income (OCI) and presented as a separate component of equity as “Revaluation surplus on property, plant and equipment”, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease as a result of revaluation is recognized in profit or loss, however, a decrease is recorded in other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets.

Subsequent costs are included in the carrying amount of the tangible operating fixed assets or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Cost incurred to replace a component of an item of tangible operating fixed assets is capitalized and the asset so replaced is derecognized. The cost of the day to day servicing is charged to profit or loss

Depreciation is charged to profit or loss applying the reducing balance method except for hybrid power plant and solar plant which is depreciated on straight line method. Depreciation is charged from the date when the asset becomes available for use up to the date of its disposal.

Tangible operating fixed asset is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss on disposal or de-recognition (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is taken to profit or loss. In case of disposal of revalued item of tangible operating fixed asset, any revaluation surplus relating to the particular asset being sold is transferred to un-appropriated profits / accumulated loss

The useful lives, residual values and depreciation methods are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis

3.2 Revenue recognition and balances from contract with customer

Revenue from sale of electricity is recognized when the related performance obligations are satisfied and comprises of capacity and energy payments. Capacity charge is based on proportionate generation capacity made available to the customer, whereas energy charge is based on cost of actual electricity supplied.

Revenue is measured at the consideration to which the Company expects to be entitled in accordance with the tariff mechanism, exclusive of applicable taxes and amounts collected on behalf of third parties.

Trade debts represent the Company's right to an amount of consideration that is unconditional. Trade debts are carried at original invoice amount less expected credit losses based on a review of all outstanding amounts at the year end.

4. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those applied to the annual audited financial statements of the Company for the year ended June 30, 2026, except as disclosed otherwise in respective notes.

Rupees	Note	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Tangible operating fixed assets	5.1	9,360,173,625	2,407,379,011
Capital work-in-progress	5.2	36,961,058	6,823,876,493
		9,397,134,683	9,231,255,504
5.1 Following is the movement in tangible fixed assets:			
Opening net book value		2,407,379,011	1,816,361,275
Additions / transfers during the period / year:			
Factory building on freehold Land		417,007,425	-
Hybrid power plant		6,538,242,678	-
Grid station & electric installations		11,645,800	-
Furniture, fixtures and office equipment		150,000	-
Computers		500,000	-
		6,967,545,903	-
Revaluation surplus		-	600,705,000
Depreciation charged during the period / year		(14,751,288)	(9,687,264)
Closing net book value		9,360,173,625	2,407,379,011

5.2 Following is the movement in capital work-in-progress:

	Opening balance	Additions	Transfers	Closing balance
Hybrid power plant	6,793,774,188	173,121,715	(6,966,895,903)	-
Building	30,102,305	6,858,753	-	36,961,058
September 30, 2026 - unaudited	6,823,876,493	179,980,468	(6,966,895,903)	36,961,058
June 30, 2026 - audited	4,650,096,714	2,508,363,991	(334,584,212)	6,823,876,493

Rupees	Note	Quarter ended September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
6. TRADE DEBT			
(Considered good and unsecured)			
Local	6.1	129,033,192	-

6.1 This represents receivable on account of sale of electricity to Mughal Iron & Steel Industries Limited (holding company). The maximum aggregate amount of receivable outstanding at the end of any month during the period was Rs. 324.033 million. The outstanding amount represented balance which was not yet due and was recovered subsequently, therefore, no allowance for expected credit losses was recorded.

7. ADVANCES		
(Considered good and unsecured)		
Advances to suppliers	37,213,279	-

8. CONTINGENCIES AND COMMITMENTS

Contingencies:

There has been no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended June 30, 2026, except as disclosed elsewhere in the interim financial report.

Commitments:

Non-capital commitments	638,117,588	-

Rupees	Note	Quarter ended September 30, 2026	September 30, 2025
		(Unaudited)	(Unaudited)
9. SALES - NET			
Sale of electricity		324,033,192	-
Less: sales tax		(49,428,792)	-
		274,604,400	-
10 COST OF SALES			
Raw material consumed		198,787,142	-
Salaries, wages and other benefits		19,670,358	-
Stores consumed		2,900,302	-
Insurance		2,700,949	-
Fee and subscription		151,168	-
Depreciation		12,329,472	-
	10.1	236,539,391	-

10.1 This includes an amount of Rs. 31.344 million in respect of cost of electricity generated and consumed in-house for auxiliary purposes.

11. OTHER INCOME			
Shariah compliant:			
- Profit on saving accounts		529	6,303
- Rental income		10,500,000	10,500,000
- Notional income against development of property		6,858,753	6,858,753
- Gain on sale of store items		-	445,984
		17,359,282	17,811,040
12. LOSS PER SHARE - BASIC AND DILUTED			
Basic earnings per shares			
Loss for the period	Rupees	(15,060,550)	(1,864,188)
Weighted average number of ordinary shares	Number	194,103,187	194,103,187
Loss per share - basic	Rupees / Share	(0.08)	(0.01)

12.1 For the purpose of calculating loss per share, Class-B shares have not been taken since they have no right in any dividend declared by the Company.

Diluted earnings per share

12.2 There were no dilutive potential ordinary shares outstanding as at September 30, 2026 and September 30, 2025.

13. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash and cash equivalents included in the condensed interim statement of cash flows comprise of the following:		
Cash and bank balances	127,630,932	130,268,607
Temporary bank overdrawn	(11,623,526)	-
	116,007,406	130,268,607

14. RELATED PARTY DISCLOSURE

The Company ("the reporting entity") in the normal course of business carries out transactions with various related parties ("the entities"). The Company is a subsidiary of Mughal Iron & Steel Industries Limited (holding company). Therefore, all subsidiaries, if any, and associated undertakings of the holding company are related parties of the Company. Other related parties comprise of entities regarded as related due to common directorship or common management, major shareholders, key management personnel and their close family members ("the relatives"). Major shareholders are those persons having control of or significant influence over the reporting entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, directly or indirectly including Directors (whether executive or otherwise) of the reporting entity. Details of transactions / outstanding balances with related parties, not otherwise disclosed elsewhere, are as follows:

Rupees	Quarter ended		As at	
	September 30, 2026	September 30, 2025	September 30, 2026	June 30, 2026
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Transactions		Outstanding balances	
Entity				
Mughal Iron & Steel Industries Limited - Holding Company				
Detail of outstanding balances				
- Long-term loan			**641,666,667**	641,666,667
- Trade debt			**129,033,192**	-
- Mark-up payable on long-term loan			**1,968,949**	1,980,201
- Security deposit			**7,000,000**	7,000,000
Detail of transactions				
- Sale of electricity	**324,033,192**	-		
- Sale of store items	**-**	281,052,631		
- Mark-up expense on long-term loan	**22,761,059**	84,843,836		
- Rental income	**10,500,000**	10,500,000		
- Notional income against development of property	**6,858,753**	6,858,753		
Major shareholders, key management personnel and their relatives				
Major shareholders, Directors and their relatives				
Detail of transactions				
- Remuneration / meeting fee	**2,265,193**	2,462,295		
- Short-term loan - repayment / proceeds - net	**91,693,179**	389,073,276		
- Rent expense	**99,825**	90,750		
Key management personnel (other than Directors) and their relatives				
Detail of transactions				
- Salaries	**1,200,000**	1,200,000		

14.1 Mughal Iron & Steel Industries Limited (holding company) has issued corporate guarantee on behalf of the Company amounting to Rs. 2,874.290 (June 30, 2026: Rs. 2,389.607 million)

15. FINANCIAL RISK MANAGEMENT

These condensed interim financial statements do not include all financial risk management information and disclosures, which are required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2026. There has been no change in any risk management policies since the year end.

16. FAIR VALUE DISCLOSURES

The carrying amount of financial assets and financial liabilities recognized in these condensed interim financial statements approximate their respective fair values and there were no transfers amongst level of fair value analysis of financial assets during the period.

Information about the fair value hierarchy of freehold land (operating) and freehold land subject to operating lease as at the end of the reporting period are as follows:

Rupees	Level 2	Total
Freehold land (operating)	**1,945,980,000**	**1,945,980,000**
Freehold land subject to operating lease	**228,000,000**	**228,000,000**
September 30, 2026	**2,173,980,000**	**2,173,980,000**
Freehold land (operating)	1,945,980,000	1,945,980,000
Freehold land subject to operating lease	228,000,000	228,000,000
June 30, 2026	2,173,980,000	2,173,980,000

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

17. SHARIAH DISCLOSURES

Following information has been disclosed as required under relevant clauses of the Fourth Schedule to the Companies Act, 2017.

Rupees	Quarter ended		As at	
	September 30, 2026	September 30, 2025	September 30, 2026	June 30, 2026
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Transactions		Outstanding balances	
Condensed interim statement of financial position:				
Liabilities side				
Financing (long-term and short-term financing) obtained as per Islamic mode			6,768,109,486	6,993,339,278
Interest or mark-up accrued on any conventional loan or advance			13,246,896	5,072,513
Assets side				
Long-term and short-term shariah compliant Investments			Not Applicable	Not Applicable
Shariah compliant bank deposits / bank balances / TDRs			127,533,008	105,328,607
Condensed interim statement of comprehensive income:				
Revenue earned from a shariah compliant business segment	324,033,192	-		
Break-up of late payments or liquidated damages	Not Applicable	Not Applicable		
Gain or loss or dividend earned from Shariah-compliant investments or share of profit from Shariah-compliant associates	Not Applicable	Not Applicable		
Profit earned from Shariah-compliant bank deposits / bank balances / TDRs	529	6,303		
Exchange gain earned from actual currency	Not Applicable	Not Applicable		
Exchange gain earned using conventional derivative financial instruments	Not Applicable	Not Applicable		
Profit paid on Islamic mode of financing	15,723,380	-		
Total interest earned on any conventional loan or advance	Not Applicable	Not Applicable		

17.1 Sources and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah- compliant and non-compliant income is provided in note 11.

Relationship with Shariah-compliant financial institutions, including banks, takaful operator and their windows:

The Company has relationship with shariah compliant banks / banks having Islamic window of operations, takaful operators and carries out trade and other routine banking / takaful transactions with them as disclosed in relevant notes to the financial statements.

18. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 29, 2026 by the Board of Directors of the Company.

19. GENERAL

The figures have been rounded off to the nearest rupee.

The corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison, however, no material significant reclassification has been made.

In order to comply with the requirements of International Accounting Standard, (IAS) - 34 - 'Interim Financial Reporting', the condensed interim statement of financial position as of the end of the current interim period has been compared with the statement of financial position as of the end of the immediately preceding financial year, the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the current interim period has been compared with the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the comparable interim period of the immediately preceding financial year, whereas, the condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the relevant statements for the comparable year-to-date period of the immediately preceding financial year.

Khurram Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

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